

MONTANA LEGISLATIVE HISTORY

Chapter 170 ~~2009~~

Bill H 623 S _____ Original bill & history ☒ c

H. Committee on Local Government

S. Committee on Local Government

Hearing Date(s) 2-19 _____ c

Hearing Date(s) 3-11 _____ c

2-20 _____ c

3-13 _____ c

_____ c

_____ c

_____ c

_____ c

Date Out 2-20 _____ c

Del out 3-13

Did this bill originate in an interim committee? _____ Yes _____ No

Committee _____

Report _____

LEGISLATIVE HISTORIES SINCE 1997

The scope and depth of legislative committee minutes varies by year and by committee. If you would like additional information about a hearing, you may want to determine whether the hearing was recorded. In addition, some recent floor debates were also recorded. For information on accessing or purchasing these recordings, contact the Historical Society Archives at 406-444-4774.

If you have concerns regarding the format of the enclosed committee minutes or the recordings of the hearings, it is suggested that you contact your state legislators.

HB 623 INTRODUCED BY MILBURN

LC2160 DRAFTER: PETESCH

REVISE LAWS GOVERNING DISPOSAL OF COUNTY AND CITY LAND

2/02	FISCAL NOTE PROBABLE		
2/16	INTRODUCED		
2/16	FISCAL NOTE REQUESTED		
2/17	REFERRED TO LOCAL GOVERNMENT		
2/19	FISCAL NOTE RECEIVED		
2/19	FISCAL NOTE SIGNED		
2/19	HEARING		
2/19	FISCAL NOTE PRINTED		
2/21	COMMITTEE EXEC ACTION—BILL PASSED AS AMENDED	18	0
2/21	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/24	2ND READING PASSED	98	2
2/25	3RD READING PASSED	98	2
TRANSMITTED TO SENATE			
3/02	REFERRED TO LOCAL GOVERNMENT		
3/11	HEARING		
3/16	COMMITTEE EXEC ACTION—CONCURRED AS AMD	9	0
3/16	COMMITTEE REPORT—CONCURRED AS AMD		
3/20	2ND READING CONCURRED ON VOICE VOTE	49	0
3/21	3RD READING CONCURRED	47	0
RETURNED TO HOUSE WITH AMENDMENTS			
3/24	2ND READING SENATE AMDS CONCURRED	97	2
3/25	3RD READING PASSED AS AMENDED BY SENATE	98	2
3/25	SENT TO ENROLLING		
3/26	RETURNED FROM ENROLLING		
3/26	SIGNED BY SPEAKER		
3/27	SIGNED BY PRESIDENT		
3/27	TRANSMITTED TO GOVERNOR		
4/06	SIGNED BY GOVERNOR		
4/07	CHAPTER NUMBER ASSIGNED		
	CHAPTER NUMBER 170		
	EFFECTIVE DATE: 7/01/2009 - ALL SECTIONS		

HB 624 INTRODUCED BY MORE

LC0879 DRAFTER: GERSOVITZ

REVISE SCHOOL LAWS

11/13	FISCAL NOTE PROBABLE		
2/17	INTRODUCED		
2/17	FISCAL NOTE REQUESTED		
2/17	REFERRED TO TAXATION		
3/03	HEARING		
3/05	FISCAL NOTE RECEIVED		
3/11	TABLED IN COMMITTEE		
3/31	MISSED DEADLINE FOR REVENUE BILL TRANSMITTAL		
	DIED IN STANDING COMMITTEE		

HB 625 INTRODUCED BY RANDALL

LC2016 DRAFTER: MURDO

WORKERS' FREEDOM ACT

2/17	INTRODUCED		
2/26	MISSED DEADLINE FOR GENERAL BILL TRANSMITTAL		
	DIED IN PROCESS		

HB 626 INTRODUCED BY WELBORN

LC1763 DRAFTER: HEFFELFINGER

REVISE TRANSFER FROM LOCAL POLICE RETIREMENT PLAN TO STATEWIDE SYSTEM

2/16	FISCAL NOTE PROBABLE		
2/17	INTRODUCED		
2/17	FISCAL NOTE REQUESTED		
2/18	REFERRED TO STATE ADMINISTRATION		
2/20	HEARING		
2/20	FISCAL NOTE RECEIVED		
2/21	FISCAL NOTE PRINTED		
2/23	COMMITTEE EXEC ACTION—BILL PASSED	17	1
2/23	COMMITTEE REPORT—BILL PASSED		
2/24	2ND READING PASSED	95	3
2/25	3RD READING PASSED	98	2

H BILL NO.

623

INTRODUCED BY

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE AUTHORITY OF A COUNTY, CITY, OR TOWN TO DONATE REAL PROPERTY OR SELL REAL PROPERTY AT A REDUCED PRICE TO A NONPROFIT CORPORATION FOR LOW-INCOME HOUSING; AMENDING SECTIONS 7-8-2219, 7-8-2301, 7-8-2308, 7-8-2402, 7-8-2502, 7-8-2504, 7-8-4201, AND 7-15-4262, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-8-2219, MCA, is amended to read:

"7-8-2219. Exchange or donation of county land in case of failure to make sale. (1) If within 1 year ~~no immediate sale be had of~~ real estate attempted to be sold under the provisions of 7-8-2211 through 7-8-2220 is not sold, the board of county commissioners may:

(a) make trades or exchanges of ~~such the~~ real estate owned by the county for any other ~~lands~~ land or real estate of equal value located within the same county; or

(b) donate the land or sell the land at a reduced price to a nonprofit corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2) Land that is transferred pursuant to subsection (1)(b) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 2. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. Disposal of county tax-deed land. (1) Whenever the county acquires land by tax deed, it

is the duty of the board of county commissioners, within 6 months after acquiring title, to enter an order to:

(a) sell the land at public auction;

(b) donate the land to a municipality, as provided in subsection (3), if the land is within the incorporated boundaries of the municipality;

(c) donate the land or sell the land at a reduced price to a nonprofit corporation as provided in subsection (3); or

(d) retain the land for the county as provided in subsection (3).

(2) When tax-deed land is to be sold, the sale may not be made for a price less than the sales price determined and fixed by the board prior to making the order of sale. The sales price may be set in an amount sufficient to recover the full amount of taxes, assessments, penalties, and interest due at the time the tax deed was issued to the county plus the county's costs in taking the tax deed and in conducting the sale and additional taxes due, if any, at the time of the sale.

(3) A board of county commissioners may, upon expiration of the repurchase period provided for in 7-8-2303:

(a) sell the land as provided in subsections (2) and (4);

(b) donate the land to a municipality with the consent of the municipality;

(c) donate the land or sell the land at a reduced price to a nonprofit corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements;

(d) retain the land for the county pursuant to 7-8-2501.

(4) If bids are not received at a sale of tax-deed land, the board shall order another auction sale of the land under this part within 6 months and may, if required by the circumstances, redetermine the sales price of

the land determined under subsection (2). In the period of time between the auction conducted under subsection (1), in which there were not any qualifying bids for the land, and an auction held pursuant to this subsection, the board may sell the land by negotiated sale at a price that is not less than the sales price that was fixed for the original auction under subsection (1)(a).

(5) If a bid is not received at the sale conducted under subsection (4), the board may dispose of the land as provided in 7-8-2218.

(6) Notwithstanding the amount of the sales price fixed by the board prior to the auction conducted under subsection (1)(a), if the successful sale bidder is the delinquent taxpayer or the taxpayer's successor in interest, the taxpayer's agent, or a member of the taxpayer's immediate family, the purchase price may not be less than the amount necessary to pay, in full, the taxes, assessments, penalties, and interest due on the land at the time of taking the tax deed plus interest on the full amount at the rate provided for in 15-16-102 from the date of the tax deed to the date of the repurchase as well as the costs of the county in taking the tax deed and additional taxes or assessments due, if any, at the time of repurchase.

(7) Land that is transferred pursuant to subsection (3)(c) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 3. Section 7-8-2308, MCA, is amended to read:

"7-8-2308. Sale or donation of lands land of less than fifty dollar valuation and other than tax-deed lands land. (1) Property belonging to the county of the value of less than \$50 and property of the county acquired by means other than by tax deed may be:

(a) sold as provided by 7-8-2211 through 7-8-2220 and, except so far as they, Except to the extent that those sections may conflict with the provisions of this part, 7-8-2211 through 7-8-2220 shall remain in force and effect. Nothing herein contained shall This section may not be construed as repealing 7-8-2401 through 7-8-2403.

(b) donated or sold at a reduced price to a nonprofit corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution,

to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2) Land that is transferred pursuant to subsection (1)(b) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 4. Section 7-8-2402, MCA, is amended to read:

"7-8-2402. Disposal of land and timber acquired by county pursuant to exchange agreement with United States. (1) Any timber acquired from the United States in any exchange may be disposed of by the county commissioners by agreement with the United States department of agriculture that ~~such the~~ timber ~~shall~~ must be cut and removed by any agency selected by the United States department of agriculture, with the understanding that the stumpage payments for timber ~~so~~ cut will be paid over to the county in cash as full compensation for the county land exchanged to the United States. The amount of ~~such the~~ stumpage payments; ~~so paid over, shall~~ must equal the appraised value of the county land exchanged for ~~same~~ timber, and ~~such the~~ cash payments ~~shall~~ must be deposited in the county treasury for the use of the county.

(2) All land and all timber not subject to the arrangement authorized in subsection (1) and acquired by the county under the provisions of this part may be:

(a) sold by the board of county commissioners in the manner provided by law for the sale of county property, and the proceeds of ~~such the~~ sale shall ~~shall~~ must be deposited in the county treasury for the use of the county; or

(b) donated or sold at a reduced price to a nonprofit corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(3) Land that is transferred pursuant to subsection (2)(b) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 5. Section 7-8-2502, MCA, is amended to read:

"7-8-2502. Application of part. (1) Any ~~lands~~ land offered for sale by the county commissioners of any

county pursuant to 7-8-2301 and not sold at the sale, any ~~lands~~ land classified for retention by the county, any ~~lands~~ land concerning which the preferential right to purchase has been terminated and barred pursuant to the provisions of 7-8-2303, and any other ~~lands~~ land owned by the county, however acquired, may, in the discretion and at the election of the board, be:

(a) administered by the board under this part; or

(b) donated or sold at a reduced price to a nonprofit corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2) The board may in its discretion elect to exercise any of the powers and authority granted to it by this part, and to the extent that the board elects, the provisions of this part are controlling and supersede all conflicting provisions of other laws.

(3) The sale, exchange, lease, donation, or issuance of licenses and permits of county ~~lands~~ land as provided in this part extends only to ~~those lands~~ land not necessary to the conduct of the county's business.

(4) Land that is transferred pursuant to subsection (1)(b) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 6. Section 7-8-2504, MCA, is amended to read:

"7-8-2504. Classification of county ~~lands~~ land. The board may:

(1) establish criteria for the classification of the ~~lands~~ land referred to in 7-8-2502(1)(a);

(2) classify ~~such lands~~ the land, surface and subsurface, for retention or disposal and for ~~such~~ purposes and uses ~~as that~~ the board may determine are in the best interests of the county and for the public benefit and

welfare, ~~and in so doing~~ In classifying the land, the board shall consider the multiple-use potential of ~~said lands~~
the land and the potential of ~~said lands~~ the land as access to other intermingled or adjacent multiple-use ~~lands~~
land or areas."

Section 7. Section 7-8-4201, MCA, is amended to read:

"7-8-4201. Disposal or lease of municipal property. (1) Subject to the provisions of subsection (2),
the city or town council may sell, dispose of, donate, or lease any property belonging to the city or town.

(2) (a) Except for property described in subsection (3), the lease, donation, or transfer must be made
by an ordinance or resolution passed by a two-thirds vote of all the members of the council.

(b) Except for property acquired by tax deed or property described in subsection (3), if the property is
held in trust for a specific purpose, the sale or lease must be approved by a majority vote of the electors of the
municipality voting at an election called for that purpose. The election must be held in conjunction with a regular
or primary election.

(3) If a city or town owns property containing a historically significant building or monument, the city or
town may sell or give the property to nonprofit organizations or groups that agree to restore or preserve the
property. The contract for the transfer of the property must contain a provision that:

(a) requires the property to be preserved in its present or restored state upon any subsequent transfer;
and

(b) provides for the reversion of the property to the city or town for noncompliance with conditions
attached to the transfer.

(4) This section may not be construed to abrogate the power of the board of park commissioners to lease
all lands owned by the city that were acquired for parks within the limitations prescribed by 7-16-4223.

(5) A city or town may donate land or sell the land at a reduced price to a nonprofit corporation for the
purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property
to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed,
the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that
will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution,

1 to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease,
2 rental, or other use of the donated land and improvements.

3 (6) Land that is transferred pursuant to subsection (5) must be used to provide permanent low-income
4 housing. The transfer of the property may contain a reversionary clause to reflect this condition."

5
6 **Section 8.** Section 7-15-4262, MCA, is amended to read:

7 **"7-15-4262. Disposal of municipal property in urban renewal areas.** (1) A municipality may:

8 (a) sell, lease, or otherwise transfer real property in an urban renewal area or any interest ~~therein~~ in real
9 property acquired by it for an urban renewal project for residential, recreational, commercial, industrial, or other
10 uses or for public use and enter into contracts with respect ~~thereto~~ to the real property; or

11 (b) retain ~~such the~~ property or interest only for parks and recreation, education, public transportation,
12 public safety, health, highways, streets and alleys, administrative buildings, or civic centers, in accordance with
13 the urban renewal project plan and subject to ~~such any~~ covenants, conditions, and restrictions, including
14 covenants running with the land, ~~as that it may deem to be~~ considers necessary or desirable to assist in
15 preventing the development or spread of blighted areas or otherwise to carry out the purposes of this part.

16 (2) ~~Such~~ The sale, lease, other transfer, or retention and any agreement relating ~~thereto~~ the real property
17 may be made only after the approval of the urban renewal plan by the local governing body.

18 (3) ~~Such~~ Except as provided in subsection (5), the real property or interest ~~shall~~ must be sold, leased,
19 otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal
20 plan. In determining the fair value of real property for uses in accordance with the urban renewal plan, a
21 municipality shall take into account and give consideration to the:

22 (a) uses provided in ~~such the~~ plan;

23 (b) ~~the~~ restrictions upon and the covenants, conditions, and obligations assumed by the purchaser or
24 lessee or by the municipality retaining the property; and

25 (c) ~~the~~ objectives of ~~such the~~ plan for the prevention of the recurrence of blighted areas.

26 (4) Real property acquired by a municipality which, in accordance with the provisions of the urban
27 renewal plan, is to be transferred ~~shall~~ must be transferred as rapidly as feasible, in the public interest, consistent
28 with the carrying out of the provisions of the urban renewal plan.

29 (5) A transfer under this section may include a donation of the land or a sale of the land at a reduced
30 price to a nonprofit corporation for the purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(6) Land that is transferred pursuant to subsection (5) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

NEW SECTION. Section 9. Effective date. [This act] is effective July 1, 2009.

- END -



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0623	Title:	Revise laws governing disposal of county and city land
Primary Sponsor:	Milburn, Mike	Status:	As Introduced

- | | | |
|---|--|--|
| ☐ Significant Local Gov Impact | ☐ Needs to be included in HB 2 | ☐ Technical Concerns |
| ☐ Included in the Executive Budget | ☐ Significant Long-Term Impacts | ☐ Dedicated Revenue Form Attached |

FISCAL SUMMARY

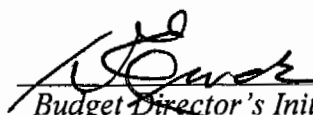
	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill does not appear to have any significant adverse fiscal impact on state or local governments.

FISCAL ANALYSIS

Assumptions:

The bill affords local governments the option of donating or selling land at a reduced price to a nonprofit corporation.

 Sponsor's Initials	<u>2-19-09</u> Date	 Budget Director's Initials	<u>2/19/09</u> Date
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MINUTES

MONTANA HOUSE OF REPRESENTATIVES 61st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: Chairwoman Elsie Arntzen, on February 19, 2009 at
3:00 P.M., in Room 172 Capitol

ROLL CALL

Members Present:

Rep. Elsie Arntzen, Chairwoman (R)
Rep. Betsy Hands, Vice Chairwoman (D)
Rep. Gary MacLaren, Vice Chairman (R)
Rep. Arlene Becker (D)
Rep. Gerald Bennett (R)
Rep. Tom Berry (R)
Rep. Robyn Driscoll (D)
Rep. Bob Ebinger (D)
Rep. Wanda Grinde (D)
Rep. Robin Hamilton (D)
Rep. Pat Ingraham (R)
Rep. Michael More (R)
Rep. Scott Reichner (R)
Rep. Michele Reinhart (D)
Rep. Diane Sands (D)
Rep. Wayne Stahl (R)
Rep. Gordon Vance (R)

Members Excused: Rep. Mike Menahan (D)

Members Absent: None

Staff Present: Katie Butcher, Committee Secretary
Joe Kolman, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 606, HB 455, HB 449, HB 466,
HB 524, HB 486, HB 620, HB 623,
HB 564
Executive Action: HB 606

Closing by Sponsor:

04:35:44 Rep. Reinhart

HEARING ON HB 623

Opening Statement by Sponsor:

04:36:28 Rep. Mike Milburn (R), HD 19, opened the hearing on HB 623, Revise laws governing disposal of county and city land.

Proponents' Testimony:

04:37:17 Joe Briggs, Cascade County Commissioner
04:37:54 Harold Blattie, Montana Association Of Counties
04:38:10 Susan Jensen, Neighbor Works Great Falls
04:38:33 Dustin Stewart, Montana Building Industry Association
04:38:40 Mick Olson, Aware Montana Choice Coalition
04:39:06 Greg Chilcott, Ravalli County Commissioner
04:39:20 Joe Brenneman, Flathead County Commissioner
04:39:31 Alec Hansen, League of Cities and Towns

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

04:40:23 Rep. Milburn

HEARING ON HB 564

Opening Statement by Sponsor:

04:42:26 Rep. Bob Wagner (R), HD 71, opened the hearing on HB 564, Prohibit local government competition with private sector.

EXHIBIT(loh39a22)

Proponents' Testimony:

04:51:05 Greg Chilcott, Ravalli County Commissioner

HOUSE OF REPRESENTATIVES
Roll Call
Local Government Committee

DATE: 2/19/2009

<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT/ EXCUSED</u>
Vice Chair MacLaren	X	
Vice Chair Hands	X	
Representative Becker	X	
Representative Bennett	X	
Representative Berry	X	
Representative Driscoll	X	
Representative Ebinger	X	
Representative Grinde	X	
Representative Hamilton	X	
Representative Ingraham	X	
Representative Menahan		X
Representative More	X	
Representative Reichner	X	
Representative Reinhart	X	
Representative Sands	X	
Representative Stahl	X	
Representative Vance	X	
Chairman Arntzen	X	

Montana House of Representatives Visitors Register

Local Government

Date 2-19-09

Bill No. HB 623 Sponsor(s) Rep. Milburn - Revise laws governing disposal of county + city land.

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT[illegible]

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

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MINUTES

MONTANA HOUSE OF REPRESENTATIVES 61st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: Chairwoman Elsie Arntzen, on February 20, 2009 at
12:00 P.M., in Room 172 Capitol

ROLL CALL

Members Present:

Rep. Elsie Arntzen, Chairwoman (R)
Rep. Betsy Hands, Vice Chairwoman (D)
Rep. Arlene Becker (D)
Rep. Tom Berry (R)
Rep. Robyn Driscoll (D)
Rep. Wanda Grinde (D)
Rep. Robin Hamilton (D)
Rep. Pat Ingraham (R)
Rep. Michael More (R)
Rep. Scott Reichner (R)
Rep. Michele Reinhart (D)
Rep. Gordon Vance (R)

Members Excused: None

Members Absent: Rep. Gary MacLaren, Vice Chairman (R)
Rep. Gerald Bennett (R)
Rep. Bob Ebinger (D)
Rep. Mike Menahan (D)
Rep. Diane Sands (D)
Rep. Wayne Stahl (R)

Staff Present: Katie Butcher, Committee Secretary
Joe Kolman, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing: None
Executive Action: HB 545, HB 522, HB 466, HB 486,
HB 623, HB 524, HB 620, HB 520
HB 564

EXECUTIVE ACTION ON HB 524

00:24:49 **Motion/Vote:** Rep. Reinhart moved that **HB 524 DO PASS**. Motion failed 8-10 by roll call vote with Rep. Driscoll, Rep. Ebinger, Rep. Grinde, Rep. Hamilton, Rep. MacLaren, Rep. Menahan, Rep. Reinhart, and Rep. Sands voting aye. Rep. Ebinger voted by proxy.

00:27:52 **Motion/Vote:** Rep. Vance moved that **HB 524 BE TABLED AND THE VOTE REVERSED**. Motion carried 17-0 by voice vote.

EXECUTIVE ACTION ON HB 486

00:28:10 **Motion:** Rep. MacLaren moved that **HB 486 DO PASS**.

00:28:28 **Motion:** Rep. MacLaren moved that **HB 486 BE AMENDED. EXHIBIT(loh40a04)**

Discussion:

00:29:09 Mr. Kolman
00:29:32 Chairwoman Arntzen
00:29:41 Rep. Maclaren

00:30:17 **Vote:** Motion carried unanimously by voice vote. Rep. Ebinger voted by proxy.

00:30:31 **Motion/Vote:** Rep. MacLaren moved that **HB 486 DO PASS AS AMENDED**. Motion carried unanimously by voice vote. Rep. Ebinger voted by proxy.

EXECUTIVE ACTION ON HB 620

00:31:02 **Motion/Vote:** Rep. Reichner moved that **HB 620 BE TABLED**. Motion carried unanimously by voice vote. Rep. Ebinger voted by proxy.

EXECUTIVE ACTION ON HB 623

00:31:46 **Motion:** Rep. Hands moved that **HB 623 DO PASS**.

00:31:58 **Motion:** Rep. Hands moved that **HB 623 BE AMENDED. EXHIBIT(loh40a05)**

Discussion:

00:32:35 Mr. Kolman
00:34:04 Rep. Stahl
00:34:25 Rep. More

00:34:51 **Vote:** Motion carried unanimously by voice vote.
Rep. Ebinger voted by proxy.

00:35:03 **Motion:** Rep. Hands moved that **HB 623 DO PASS AS
AMENDED.**

Discussion:

00:35:12 Rep. Bennett
00:35:47 Rep. Hands

00:36:13 **Vote:** Motion carried unanimously by voice vote.
Rep. Ebinger voted aye by proxy.

EXECUTIVE ACTION ON HB 564

00:37:05 **Motion:** Rep. Reichner moved that **HB 564 DO PASS.**

00:37:17 **Motion:** Rep. Reichner moved that **HB 564 BE AMENDED.**
EXHIBIT(loh40a06)

Discussion:

00:37:33 Mr. Kolman

00:37:59 **Vote:** Motion carried 15-3 by voice vote with Rep.
Ebinger, Rep. Hamilton, and Rep. Hands voting no. Rep.
Ebinger voted by proxy.

00:38:18 **Motion:** Rep. Reichner moved that **HB 564 DO PASS AS
AMENDED.**

00:38:26 **Substitute Motion/Vote:** Rep. Driscoll made a substitute
motion that **HB 564 BE TABLED.** Substitute motion carried
12-6 by voice vote with Rep. Bennett, Rep. Berry, Rep.
Ingraham, Rep. MacLaren, Rep. More, and Rep. Vance
voting no. Rep. Ebinger voted by proxy.

HOUSE OF REPRESENTATIVES
Roll Call
Local Government Committee

DATE: 2/20/2009

<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT/ EXCUSED</u>
Vice Chair MacLaren		X
Vice Chair Hands	X	
Representative Becker	X	
Representative Bennett		X
Representative Berry	X	
Representative Driscoll	X	
Representative Ebinger		X
Representative Grinde	X	
Representative Hamilton	X	
Representative Ingraham	X	
Representative Menahan		X
Representative More	X	
Representative Reichner	X	
Representative Reinhart	X	
Representative Sands		X
Representative Stahl		X
Representative Vance	X	
Chairman Arntzen	X	

Amendments to House Bill No. 623
1st Reading Copy

Requested by Representative Mike Milburn

For the House Local Government Committee

Prepared by Joe Kolman
February 20, 2009 (8:12am)

1. Page 1, line 12.
Strike: "in case of"
Insert: "--"
2. Page 1, lines 14 and 15.
Following: "may" on line 14
Strike: ";" on line 14 through "(a)" on line 15
3. Page 1, line 16.
Strike: "; or"
Insert: "."
4. Page 1, line 17.
Strike: "(b)"
Insert: "(2) In lieu of the procedure in subsection (1), the
board of county commissioners may"
5. Page 1, line 19.
Strike: "(i)"
Insert: "(a)"
Renumber: subsequent subsections
6. Page 1, line 27.
Strike: "(2)"
Insert: "(3)"
Strike: "(1)(b)"
Insert: "(2)"
7. Page 3, line 14.
Following: "used to"
Insert: "permanently"
Strike: "permanent"

- END -

BUSINESS REPORT

**MONTANA HOUSE OF REPRESENTATIVES
61st LEGISLATURE - REGULAR SESSION**

HOUSE LOCAL GOVERNMENT COMMITTEE

Date: Friday, February 20, 2009

Time: 12:00 pm

Place: Capitol

Room: 172

BILLS and RESOLUTIONS HEARD:

Prefix (HB, HR, HJR, SB, SR, or SJR) and number. Add Postponed (PP) when appropriate:

EXECUTIVE ACTION TAKEN:

Prefix (HB, HR, HJR, SB, SR, or SJR) and number. Enter P(pass) F(failed) DPAA (do pass as amended) BC(be concurred in) BCAA (be concurred in as amended):

HB 545 - DPAA

HB 522 - DPAA

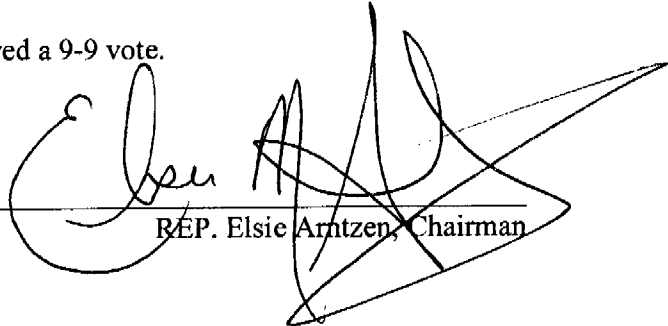
HB 466 - DPAA

HB 486 - DPAA

HB 623 - DPAA

COMMENTS:

Tabled HB 524, HB 620, HB 564;and,HB 520 received a 9-9 vote.



REP. Elsie Arntzen, Chairman



HOUSE STANDING COMMITTEE REPORT

February 21, 2009

Page 1 of 2

Mr. Speaker:

We, your committee on Local Government recommend that House Bill 623 (first reading copy – white) do pass as amended.

Signed:

Elsie Arnizen
Representative Elsie Arnizen, Chair

And, that such amendments read:

1. Page 1, line 12.

Strike: "in case of"

Insert: "--"

2. Page 1, lines 14 and 15.

Following: "may" on line 14

Strike: ":" on line 14 through "(a)" on line 15

3. Page 1, line 16.

Strike: "; or"

Insert: "."

4. Page 1, line 17.

Strike: "(b)"

Insert: "(2) In lieu of the procedure in subsection (1), the board of county commissioners may"

5. Page 1, line 19.

Strike: "(i)"

Insert: "(a)"

Renumber: subsequent subsections

6. Page 1, line 27.

Strike: "(2)"

Insert: "(3)"

Committee Vote:

Yes 18, No 0

Fiscal Note Required __

HB0623001SC.hjd

Strike: "(1)(b)"

Insert: "(2)"

7. Page 3, line 14.

Following: "used to"

Insert: "permanently"

Strike: "permanent"

- END -

HOUSE BILL NO. 623
INTRODUCED BY M. MILBURN

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE AUTHORITY OF A COUNTY, CITY, OR TOWN TO DONATE REAL PROPERTY OR SELL REAL PROPERTY AT A REDUCED PRICE TO A NONPROFIT CORPORATION FOR LOW-INCOME HOUSING; AMENDING SECTIONS 7-8-2219, 7-8-2301, 7-8-2308, 7-8-2402, 7-8-2502, 7-8-2504, 7-8-4201, AND 7-15-4262, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**THERE ARE NO CHANGES IN THIS BILL AND
IT WILL NOT BE REPRINTED. PLEASE REFER TO
SECOND READING COPY (YELLOW) FOR COMPLETE TEXT.**

HOUSE BILL NO. 623

INTRODUCED BY M. MILBURN

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE AUTHORITY OF A COUNTY, CITY, OR TOWN TO DONATE REAL PROPERTY OR SELL REAL PROPERTY AT A REDUCED PRICE TO A NONPROFIT CORPORATION FOR LOW-INCOME HOUSING; AMENDING SECTIONS 7-8-2219, 7-8-2301, 7-8-2308, 7-8-2402, 7-8-2502, 7-8-2504, 7-8-4201, AND 7-15-4262, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-8-2219, MCA, is amended to read:

"7-8-2219. Exchange or donation of county land in case of -- failure to make sale. (1) If within 1 year ~~no immediate sale be had~~ of real estate attempted to be sold under the provisions of 7-8-2211 through 7-8-2220 ~~is not sold~~, the board of county commissioners may:

— ~~(a)~~ make trades or exchanges of ~~such the~~ real estate owned by the county for any other ~~lands~~ land or real estate of equal value located within the same county; ~~or~~.

(b)(2) IN LIEU OF THE PROCEDURE IN SUBSECTION (1), THE BOARD OF COUNTY COMMISSIONERS MAY donate the land or sell the land at a reduced price to a nonprofit corporation for the purpose of constructing:

(i)(A) a multifamily housing development operated by the corporation for low-income housing;

(ii)(B) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii)(C) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2)(3) Land that is transferred pursuant to subsection (1)(b) (2) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 2. Section 7-8-2301, MCA, is amended to read:

- 1 **"7-8-2301. Disposal of county tax-deed land.** (1) Whenever the county acquires land by tax deed, it
2 is the duty of the board of county commissioners, within 6 months after acquiring title, to enter an order to:
- 3 (a) sell the land at public auction;
- 4 (b) donate the land to a municipality, as provided in subsection (3), if the land is within the incorporated
5 boundaries of the municipality;
- 6 (c) donate the land or sell the land at a reduced price to a nonprofit corporation as provided in subsection
7 (3); or
- 8 (d) retain the land for the county as provided in subsection (3).
- 9 (2) When tax-deed land is to be sold, the sale may not be made for a price less than the sales price
10 determined and fixed by the board prior to making the order of sale. The sales price may be set in an amount
11 sufficient to recover the full amount of taxes, assessments, penalties, and interest due at the time the tax deed
12 was issued to the county plus the county's costs in taking the tax deed and in conducting the sale and additional
13 taxes due, if any, at the time of the sale.
- 14 (3) A board of county commissioners may, upon expiration of the repurchase period provided for in
15 7-8-2303:
- 16 (a) sell the land as provided in subsections (2) and (4);
- 17 (b) donate the land to a municipality with the consent of the municipality;
- 18 (c) donate the land or sell the land at a reduced price to a nonprofit corporation for the purpose of
19 constructing:
- 20 (i) a multifamily housing development operated by the corporation for low-income housing;
- 21 (ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to
22 a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the
23 property becomes subject to taxation.
- 24 (iii) improvements to real property or modifying, altering, or repairing improvements to real property that
25 will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution,
26 to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease,
27 rental, or other use of the donated land and improvements;
- 28 (d) retain the land for the county pursuant to 7-8-2501.
- 29 (4) If bids are not received at a sale of tax-deed land, the board shall order another auction sale of the
30 land under this part within 6 months and may, if required by the circumstances, redetermine the sales price of

the land determined under subsection (2). In the period of time between the auction conducted under subsection (1), in which there were not any qualifying bids for the land, and an auction held pursuant to this subsection, the board may sell the land by negotiated sale at a price that is not less than the sales price that was fixed for the original auction under subsection (1)(a).

(5) If a bid is not received at the sale conducted under subsection (4), the board may dispose of the land as provided in 7-8-2218.

(6) Notwithstanding the amount of the sales price fixed by the board prior to the auction conducted under subsection (1)(a), if the successful sale bidder is the delinquent taxpayer or the taxpayer's successor in interest, the taxpayer's agent, or a member of the taxpayer's immediate family, the purchase price may not be less than the amount necessary to pay, in full, the taxes, assessments, penalties, and interest due on the land at the time of taking the tax deed plus interest on the full amount at the rate provided for in 15-16-102 from the date of the tax deed to the date of the repurchase as well as the costs of the county in taking the tax deed and additional taxes or assessments due, if any, at the time of repurchase.

(7) Land that is transferred pursuant to subsection (3)(c) must be used to PERMANENTLY provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 3. Section 7-8-2308, MCA, is amended to read:

"7-8-2308. Sale or donation of lands land of less than fifty dollar valuation and other than tax-deed lands land. (1) Property belonging to the county of the value of less than \$50 and property of the county acquired by means other than by tax deed may be:

(a) sold as provided by 7-8-2211 through 7-8-2220 and, except so far as they. Except to the extent that those sections may conflict with the provisions of this part, 7-8-2211 through 7-8-2220 shall remain in force and effect. Nothing herein contained shall. This section may not be construed as repealing 7-8-2401 through 7-8-2403.

(b) donated or sold at a reduced price to a nonprofit corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that

1 will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution,
2 to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease,
3 rental, or other use of the donated land and improvements.

4 (2) Land that is transferred pursuant to subsection (1)(b) must be used to provide permanent low-income
5 housing. The transfer of the property may contain a reversionary clause to reflect this condition."
6

7 **Section 4.** Section 7-8-2402, MCA, is amended to read:

8 **"7-8-2402. Disposal of land and timber acquired by county pursuant to exchange agreement with**
9 **United States.** (1) Any timber acquired from the United States in any exchange may be disposed of by the county
10 commissioners by agreement with the United States department of agriculture that ~~such the~~ timber ~~shall~~ must
11 be cut and removed by any agency selected by the United States department of agriculture, with the
12 understanding that the stumpage payments for timber ~~so~~ cut will be paid over to the county in cash as full
13 compensation for the county land exchanged to the United States. The amount of ~~such the~~ stumpage payments;
14 ~~so paid over, shall~~ must equal the appraised value of the county land exchanged for ~~same~~ timber, and ~~such the~~
15 cash payments ~~shall~~ must be deposited in the county treasury for the use of the county.

16 (2) All land and all timber not subject to the arrangement authorized in subsection (1) and acquired by
17 the county under the provisions of this part may be:

18 (a) sold by the board of county commissioners in the manner provided by law for the sale of county
19 property, and the proceeds of ~~such the~~ sale ~~shall~~ must be deposited in the county treasury for the use of the
20 county; or

21 (b) donated or sold at a reduced price to a nonprofit corporation for the purpose of constructing:

22 (i) a multifamily housing development operated by the corporation for low-income housing;

23 (ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to
24 a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the
25 property becomes subject to taxation.

26 (iii) improvements to real property or modifying, altering, or repairing improvements to real property that
27 will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution,
28 to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease,
29 rental, or other use of the donated land and improvements.

30 (3) Land that is transferred pursuant to subsection (2)(b) must be used to provide permanent low-income

housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 5. Section 7-8-2502, MCA, is amended to read:

"7-8-2502. Application of part. (1) Any ~~lands~~ land offered for sale by the county commissioners of any county pursuant to 7-8-2301 and not sold at the sale, any ~~lands~~ land classified for retention by the county, any ~~lands~~ land concerning which the preferential right to purchase has been terminated and barred pursuant to the provisions of 7-8-2303, and any other ~~lands~~ land owned by the county, however acquired, may, in the discretion and at the election of the board, be:

(a) administered by the board under this part; or

(b) donated or sold at a reduced price to a nonprofit corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2) The board may in its discretion elect to exercise any of the powers and authority granted to it by this part, and to the extent that the board elects, the provisions of this part are controlling and supersede all conflicting provisions of other laws.

(3) The sale, exchange, lease, donation, or issuance of licenses and permits of county ~~lands~~ land as provided in this part extends only to ~~those lands~~ land not necessary to the conduct of the county's business.

(4) Land that is transferred pursuant to subsection (1)(b) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 6. Section 7-8-2504, MCA, is amended to read:

"7-8-2504. Classification of county ~~lands~~ land. The board may:

(1) establish criteria for the classification of the ~~lands~~ land referred to in 7-8-2502(1)(a);

(2) classify ~~such lands~~ the land, surface and subsurface, for retention or disposal and for ~~such~~ purposes

1 and uses ~~as that~~ the board may determine are in the best interests of the county and for the public benefit and
2 welfare, ~~and in so doing~~ In classifying the land, the board shall consider the multiple-use potential of ~~said lands~~
3 the land and the potential of ~~said lands~~ the land as access to other intermingled or adjacent multiple-use ~~lands~~
4 land or areas."

5
6 **Section 7.** Section 7-8-4201, MCA, is amended to read:

7 **"7-8-4201. Disposal or lease of municipal property.** (1) Subject to the provisions of subsection (2),
8 the city or town council may sell, dispose of, donate, or lease any property belonging to the city or town.

9 (2) (a) Except for property described in subsection (3), the lease, donation, or transfer must be made
10 by an ordinance or resolution passed by a two-thirds vote of all the members of the council.

11 (b) Except for property acquired by tax deed or property described in subsection (3), if the property is
12 held in trust for a specific purpose, the sale or lease must be approved by a majority vote of the electors of the
13 municipality voting at an election called for that purpose. The election must be held in conjunction with a regular
14 or primary election.

15 (3) If a city or town owns property containing a historically significant building or monument, the city or
16 town may sell or give the property to nonprofit organizations or groups that agree to restore or preserve the
17 property. The contract for the transfer of the property must contain a provision that:

18 (a) requires the property to be preserved in its present or restored state upon any subsequent transfer;
19 and

20 (b) provides for the reversion of the property to the city or town for noncompliance with conditions
21 attached to the transfer.

22 (4) This section may not be construed to abrogate the power of the board of park commissioners to lease
23 all lands owned by the city that were acquired for parks within the limitations prescribed by 7-16-4223.

24 (5) A city or town may donate land or sell the land at a reduced price to a nonprofit corporation for the
25 purpose of constructing:

26 (a) a multifamily housing development operated by the corporation for low-income housing;

27 (b) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property
28 to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed,
29 the property becomes subject to taxation.

30 (c) improvements to real property or modifying, altering, or repairing improvements to real property that

will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(6) Land that is transferred pursuant to subsection (5) must be used to provide permanent low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 8. Section 7-15-4262, MCA, is amended to read:

"7-15-4262. Disposal of municipal property in urban renewal areas. (1) A municipality may:

(a) sell, lease, or otherwise transfer real property in an urban renewal area or any interest ~~therein~~ in real property acquired by it for an urban renewal project for residential, recreational, commercial, industrial, or other uses or for public use and enter into contracts with respect ~~thereto~~ to the real property; or

(b) retain ~~such the~~ property or interest only for parks and recreation, education, public transportation, public safety, health, highways, streets and alleys, administrative buildings, or civic centers, in accordance with the urban renewal project plan and subject to ~~such any~~ covenants, conditions, and restrictions, including covenants running with the land, ~~as that it may deem to be~~ considers necessary or desirable to assist in preventing the development or spread of blighted areas or otherwise to carry out the purposes of this part.

(2) ~~Such The~~ sale, lease, other transfer, or retention and any agreement relating ~~thereto~~ the real property may be made only after the approval of the urban renewal plan by the local governing body.

(3) ~~Such~~ Except as provided in subsection (5), the real property or interest ~~shall~~ must be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan. In determining the fair value of real property for uses in accordance with the urban renewal plan, a municipality shall take into account and give consideration to the:

(a) uses provided in ~~such the~~ plan;

(b) ~~the~~ restrictions upon and the covenants, conditions, and obligations assumed by the purchaser or lessee or by the municipality retaining the property; and

(c) ~~the~~ objectives of ~~such the~~ plan for the prevention of the recurrence of blighted areas.

(4) Real property acquired by a municipality which, in accordance with the provisions of the urban renewal plan, is to be transferred ~~shall~~ must be transferred as rapidly as feasible, in the public interest, consistent with the carrying out of the provisions of the urban renewal plan.

(5) A transfer under this section may include a donation of the land or a sale of the land at a reduced

1 price to a nonprofit corporation for the purpose of constructing:

2 (a) a multifamily housing development operated by the corporation for low-income housing;

3 (b) single-family houses. Upon completion of a house, the nonprofit corporation shall sell the property
4 to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed,
5 the property becomes subject to taxation.

6 (c) improvements to real property or modifying, altering, or repairing improvements to real property that
7 will enable the nonprofit corporation, subject to the restrictions of Article X, section 6, of the Montana constitution,
8 to pursue purposes specified in the articles of incorporation of the nonprofit corporation, including the sale, lease,
9 rental, or other use of the donated land and improvements.

10 (6) Land that is transferred pursuant to subsection (5) must be used to provide permanent low-income
11 housing. The transfer of the property may contain a reversionary clause to reflect this condition."

12
13 NEW SECTION. Section 9. Effective date. [This act] is effective July 1, 2009.

14 - END -

MINUTES

MONTANA SENATE 61st LEGISLATURE - REGULAR SESSION COMMITTEE ON LOCAL GOVERNMENT

Call to Order: Chairman John Esp, on March 11, 2009 at 3:00 P.M.,
in Room 405 Capitol

ROLL CALL

Members Present:

Sen. John Esp, Chairman (R)
Sen. Jeff Essmann, Vice Chairman (R)
Sen. Gregory D. Barkus (R)
Sen. Ron Erickson (D)
Sen. Steven Gallus (D)
Sen. Kim Gillan (D)
Sen. Verdell Jackson (R)
Sen. Jesse Laslovich (D)
Sen. Bruce Tutvedt (R)

Members Excused: None

Members Absent: None

Staff Present: Leanne Heisel, Legislative Branch
Rachel Saul, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 45, 2/20/2009; HB 486, 3/2/2009;
HB 545, 3/2/2009; HB 563, 3/2/2009;
HB 623, 3/2/2009

Executive Action: HB 324, HB 45, HB 545

00:33:04 Ms. Stoll
00:33:38 Sen. Esp
00:33:50 Mr. Davis

Closing by Sponsor:

00:34:47 Rep. MacLaren

HEARING ON HB 623

Opening Statement by Sponsor:

00:36:27 Rep. Mike Milburn (R), HD 19, opened the hearing on HB 623, Revise laws governing disposal of county and city land.

Proponents' Testimony:

00:37:11 Joe Briggs, County Commissioner
00:38:07 Alec Hansen, Montana League of City and Towns (MLCT)

Opponents' Testimony:

00:39:50 None

Informational Testimony:

00:39:54 None

Questions from Committee Members and Responses:

00:39:58 Sen. Gillan
00:40:26 Rep. Milburn
00:40:57 Sen. Gillan
00:41:05 Mr. Briggs
00:41:24 Chairman Esp
00:41:33 Harold Blattie, Montana Association of Counties (MACo)
00:42:11 Sen. Jackson
00:42:33 Rep. Milburn
00:43:03 Sen. Jackson
00:43:13 Mr. Blattie
00:43:48 Sen. Barkus
00:44:17 Mr. Briggs
00:44:36 Sen. Barkus
00:45:11 Mr. Briggs

00:45:36 Sen. Barkus
00:46:25 Mr. Blattie
00:47:06 Sen. Barkus
00:47:50 Mr. Blattie

Closing by Sponsor:

00:48:20 Rep. Milburn
Distributed to Committee members after hearing HB 623
EXHIBIT(los54a05)

00:50:21 Recess

HEARING ON HB 45

Opening Statement by Sponsor:

00:55:10 Rep. Pat Ingraham (R), HD 13, opened the hearing on HB 45, Compliance with federal law for forest reserve payments.

Proponents' Testimony:

00:58:52 Harold Blattie, Executive Director, MACo
01:01:06 Gordon Morris, Lewis and Clark County

Opponents' Testimony:

01:01:58 None

Informational Testimony:

01:02:01 None

Questions from Committee Members and Responses:

01:02:08 None

Closing by Sponsor:

01:02:21 Rep. Ingraham

MONTANA STATE SENATE
ROLL CALL
LOCAL GOVERNMENT
COMMITTEE

DATE: 3.11., 2009

NAME	PRESENT	ABSENT/ EXCUSED
Chairman John Esp	✓	
Vice Chair Jeff Essmann	✓	
Senator Gregory Barkus	✓	
Senator Ron Erickson	✓	
Senator Steve Gallus	✓	
Senator Kim Gillan	✓	
Senator Verdell Jackson	✓	
Senator Jesse Laslovich	✓	
Senator Bruce Tutvedt	✓	



SENATE LOCAL GOVERNMENT

EXHIBIT NO. 5

DATE 3.11.2009

BILL NO. HB 623

118 E. Seventh St.; Suite 2A Anaconda, MT 59711

ph: 406.563.5259 fx: 406.563.5476

<http://www.medamembers.org>

March 9, 2009

TO: SENATE LOCAL GOVERNMENT COMMITTEE

RE: SUPPORT FOR HB 623

The Montana Economic Development Association (MEDA) strongly supports HB 623 and we urge you to support its adoption by the Montana Legislature.

Affordable housing is critically important to economic development. Competitive companies need highly skilled workers who enjoy decent affordable housing. This bill supports the creation of affordable housing at no cost to the state taxpayer.

Allowing cities and counties to have the option to support affordable housing development in their communities through the sale of land at below market prices makes sense. City and County leaders know which projects will benefit the residents of their community.

Thank you,

A handwritten signature in black ink that reads "Jim Davison". The signature is written in a cursive, flowing style.

Jim Davison
President

JOIN US AT <http://www.medamembers.org>

BOARD OF DIRECTORS: JIM DAVISON, PRESIDENT, ANACONDA * BRETT DONEY, VICE PRESIDENT, GREAT FALLS *
* LARRY MILES, TREASURER, GLASGOW * RICK EDWARDS, PAST PRESIDENT, BUTTE * GLORIA O'ROURKE, SECRETARY *
* BRIAN GION, GREAT FALLS * JIM ATCHISON, COLSTRIP * JIM SMITHAM, BUTTE * RODNEY MILLER, FT. PECK
* LESUE MESSER, SIDNEY * ANNE BOOTHE, MALTA *
* RICHARD SANGREY, ROCKY BOY'S RESERVATION * TERRY MYHRE, HELENA * TRACY MCINTYRE, EUREKA *
* ANDY POOLE, HELENA * BOB HIATALA, BOZEMAN * LYLE PHILLIPS, KALISPELL *
* KATHIE BAILEY, LEWISTOWN * PAUL TUSS, HAVRE * STEVE ARVESHOU, BILLINGS * KEN RICHARDSON, MISSOULA *

VISITORS REGISTER

MONTANA SENATE LOCAL GOVERNMENT

Date: March 11, 2009 Bill No: HB 623

Sponsor(s): Rep. Mike Milburn

(Revise laws governing disposal of county and city land)

Please print ~ Please print ~ Please print

NAME	REPRESENTING	Support	Oppose	Informt'l
Harold Blatter	MACo	✓		
Sheldon Munis	Kevin + Clark Co	✓		
Alec Haysman	MIST	✓		
Michael M. O'N	MT Home Choice	✓		

*Please leave prepared testimony with Committee Secretary. Witness
Statement forms are available if you prefer to submit written testimony.*

MINUTES

MONTANA SENATE 61st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: Chairman John Esp, on March 13, 2009 at 3:00 P.M.,
in Room 405 Capitol

ROLL CALL

Members Present:

Sen. John Esp, Chairman (R)
Sen. Jeff Essmann, Vice Chairman (R)
Sen. Gregory D. Barkus (R)
Sen. Steven Gallus (D)
Sen. Kim Gillan (D)
Sen. Verdell Jackson (R)
Sen. Jesse Laslovich (D)
Sen. Bruce Tutvedt (R)

Members Excused: Sen. Ron Erickson (D)

Members Absent: None

Staff Present: Leanne Heisel, Legislative Branch
Debra Polhemus, Committee Secretary

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 67, 2/20/2009; HB 129,
2/21/2009; HB 270, 2/23/2009; HB
428, 2/23/2009

Executive Action: HB 67 ~ DO CONCUR
HB 129 ~ DO CONCUR
HB 270 ~ DO CONCUR
HB 623 ~ DO CONCUR AS AMENDED

EXECUTIVE ACTION ON HB 67

00:30:57 **Motion/Vote:** Sen. Jackson moved that **HB 67 BE CONCURRED IN**. Motion carried unanimously by voice vote. Sen. Jackson will carry HB 67.

EXECUTIVE ACTION ON HB 129

00:31:33 **Motion/Vote:** Sen. Gallus moved that **HB 129 BE CONCURRED IN**. Motion carried unanimously by voice vote. Sen. Gallus will carry HB 129.

EXECUTIVE ACTION ON HB 270

00:32:12 **Motion:** Sen. Tutvedt moved that **HB 270 BE CONCURRED IN**.

Discussion:

00:32:22 Sen. Jackson
00:32:30 Chairman Esp
00:33:36 Sen. Jackson

00:33:47 **Vote:** Motion carried unanimously by voice vote. Sen. Tutvedt will carry HB 270.

EXECUTIVE ACTION ON HB 623

00:35:08 **Motion:** Sen. Barkus moved that **HB 623 BE CONCURRED IN**.

00:36:48 **Motion:** Sen. Barkus moved that **HB 623 BE AMENDED**.
EXHIBIT(1os56a03)

Discussion:

00:37:03 Sen. Erickson
00:37:37 Sen. Essmann
00:38:23 Sen. Tutvedt
00:39:07 Sen. Barkus
00:40:11 Chairman Esp
00:42:00 Sen. Essmann
00:42:41 Chairman Esp
00:43:29 Sen. Gillan
00:45:11 Sen. Barkus
00:45:34 Chairman Esp
00:45:51 Sen. Erickson

00:47:08 **Vote:** Motion carried 7-2 by voice vote with Sens. Erickson and Laslovich voting no.

MONTANA STATE SENATE
ROLL CALL
LOCAL GOVERNMENT
COMMITTEE

DATE: March 13, 2009

NAME	PRESENT	ABSENT/ EXCUSED
Chairman John Esp	✓	
Vice Chair Jeff Essmann	✓	
Senator Gregory Barkus	✓	
Senator Ron Erickson		✓
Senator Steve Gallus	✓	
Senator Kim Gillan	✓	
Senator Verdell Jackson	✓	
Senator Jesse Laslovich	✓	
Senator Bruce Tutvedt	✓	

Amendments to House Bill No. 623
3rd Reading Copy
Requested by Senator Gregory Barkus

For the Senate Local Government Committee

Prepared by Leanne Heisel
March 12, 2009 (2:52pm)

1. Title, line 5.
Strike: "NONPROFIT"
2. Page 1, line 18.
Strike: "nonprofit"
3. Page 1, line 20.
Strike: "nonprofit"
4. Page 1, line 24.
Strike: "nonprofit"
5. Page 1, line 25.
Strike: "nonprofit"
6. Page 2, line 6.
Strike: "nonprofit"
7. Page 2, line 18.
Strike: "nonprofit"
8. Page 2, line 21.
Strike: "nonprofit"
9. Page 2, line 25.
Strike: "nonprofit"
10. Page 2, line 26.
Strike: "nonprofit"
11. Page 3, line 25.
Strike: "nonprofit"
12. Page 3, line 27.
Strike: "nonprofit"
13. Page 4, line 1.
Strike: "nonprofit"
14. Page 4, line 2.
Strike: "nonprofit"

15. Page 4, line 21.
Strike: "nonprofit"

16. Page 4, line 23.
Strike: "nonprofit"

17. Page 4, line 27.
Strike: "nonprofit"

18. Page 4, line 28.
Strike: "nonprofit"

19. Page 5, line 10.
Strike: "nonprofit"

20. Page 5, line 12.
Strike: "nonprofit"

21. Page 5, line 16.
Strike: "nonprofit"

22. Page 5, line 17.
Strike: "nonprofit"

23. Page 6, line 24.
Strike: "nonprofit"

24. Page 6, line 27.
Strike: "nonprofit"

25. Page 7, line 1.
Strike: "nonprofit"

26. Page 7, line 2.
Strike: "nonprofit"

27. Page 8, line 1.
Strike: "nonprofit"

28. Page 8, line 3.
Strike: "nonprofit"

29. Page 8, line 7.
Strike: "nonprofit"

30. Page 8, line 8.
Strike: "nonprofit"

- END -

Amendments to House Bill No. 623
3rd Reading Copy

SENATE LOCAL GOVERNMENT
EXHIBIT NO. 4
DATE 3.13.09
BILL NO. HB623

For the Senate Local Government Committee

Prepared by Leanne Heisel
March 12, 2009 (2:52pm)

1. Page 1, line 27.
Following: "used to"
Insert: "permanently"
Strike: "permanent"

2. Page 4, line 4.
Following: "used to"
Insert: "permanently"
Strike: "permanent"

3. Page 4, line 30.
Following: "used to"
Insert: "permanently"
Strike: "permanent"

4. Page 5, line 24.
Following: "used to"
Insert: "permanently"
Strike: "permanent"

5. Page 7, line 4.
Following: "used to"
Insert: "permanently"
Strike: "permanent"

6. Page 8, line 10.
Following: "used to"
Insert: "permanently"
Strike: "permanent"

- END -

BUSINESS REPORT

**MONTANA SENATE
61st LEGISLATURE - REGULAR SESSION**

SENATE LOCAL GOVERNMENT COMMITTEE

Date: Friday, March 13, 2009
Place: Capitol

Time: 3:00 pm
Room: 405

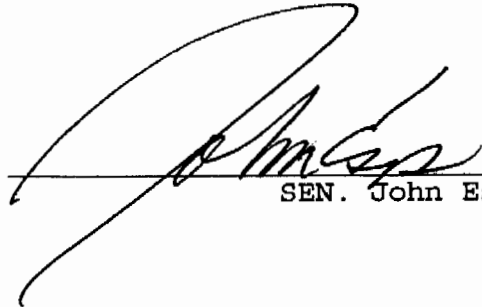
BILLS and RESOLUTIONS HEARD:

HB 67 ~ HB 129 ~ HB 270 ~ HB 428

EXECUTIVE ACTION TAKEN:

HB 67 - Do Concur
HB 129 - Do Concur
HB 270 - Do Concur
HB 623 - Do Concur As Amended

COMMENTS:



SEN. John Esp, Chairman



SENATE STANDING COMMITTEE REPORT

March 16, 2009

Page 1 of 4

Mr. President:

We, your committee on **Local Government** recommend that **House Bill 623** (third reading copy -- blue) be concurred in as amended.

Signed: _____

Senator John Esp, Chair

To be carried by Senator Gregory Barkus

And, that such amendments read:

1. Title, line 5.

Strike: "NONPROFIT"

2. Page 1, line 18.

Strike: "nonprofit"

3. Page 1, line 20.

Strike: "nonprofit"

4. Page 1, line 24.

Strike: "nonprofit"

5. Page 1, line 25.

Strike: "nonprofit"

6. Page 1, line 27.

Following: "used to"

Insert: "permanently"

Strike: "permanent"

7. Page 2, line 6.

Strike: "nonprofit"

Committee Vote:

Yes 9, No 0

Fiscal Note Required ☐

DR

8. Page 2, line 18.
Strike: "nonprofit"
9. Page 2, line 21.
Strike: "nonprofit"
10. Page 2, line 25.
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11. Page 2, line 26.
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Following: "used to"

Insert: "permanently"

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27. Page 6, line 24.

Strike: "nonprofit"

28. Page 6, line 27.

Strike: "nonprofit"

29. Page 7, line 1.

Strike: "nonprofit"

30. Page 7, line 2.

Strike: "nonprofit"

31. Page 7, line 4.

Following: "used to"

Insert: "permanently"

Strike: "permanent"

32. Page 8, line 1.

Strike: "nonprofit"

33. Page 8, line 3.

Strike: "nonprofit"

34. Page 8, line 7.

Strike: "nonprofit"

35. Page 8, line 8.

Strike: "nonprofit"

36. Page 8, line 10.
Following: "used to"
Insert: "permanently"
Strike: "permanent"

- END -



AN ACT CLARIFYING THE AUTHORITY OF A COUNTY, CITY, OR TOWN TO DONATE REAL PROPERTY OR SELL REAL PROPERTY AT A REDUCED PRICE TO A CORPORATION FOR LOW-INCOME HOUSING; AMENDING SECTIONS 7-8-2219, 7-8-2301, 7-8-2308, 7-8-2402, 7-8-2502, 7-8-2504, 7-8-4201, AND 7-15-4262, MCA; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-8-2219, MCA, is amended to read:

"7-8-2219. Exchange or donation of county land in case of -- failure to make sale. (1) If within 1 year ~~no immediate sale be had of~~ real estate attempted to be sold under the provisions of 7-8-2211 through 7-8-2220 ~~is not sold~~, the board of county commissioners may make trades or exchanges of ~~such the~~ real estate owned by the county for any other ~~lands~~ land or real estate of equal value located within the same county.

(2) In lieu of the procedure in subsection (1), the board of county commissioners may donate the land or sell the land at a reduced price to a corporation for the purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(3) Land that is transferred pursuant to subsection (2) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 2. Section 7-8-2301, MCA, is amended to read:

"7-8-2301. Disposal of county tax-deed land. (1) Whenever the county acquires land by tax deed, it is the duty of the board of county commissioners, within 6 months after acquiring title, to enter an order to:

- (a) sell the land at public auction;
- (b) donate the land to a municipality, as provided in subsection (3), if the land is within the incorporated boundaries of the municipality;
- (c) donate the land or sell the land at a reduced price to a ~~nonprofit~~ corporation as provided in subsection (3); or
- (d) retain the land for the county as provided in subsection (3).

(2) When tax-deed land is to be sold, the sale may not be made for a price less than the sales price determined and fixed by the board prior to making the order of sale. The sales price may be set in an amount sufficient to recover the full amount of taxes, assessments, penalties, and interest due at the time the tax deed was issued to the county plus the county's costs in taking the tax deed and in conducting the sale and additional taxes due, if any, at the time of the sale.

(3) A board of county commissioners may, upon expiration of the repurchase period provided for in 7-8-2303:

- (a) sell the land as provided in subsections (2) and (4);
- (b) donate the land to a municipality with the consent of the municipality;
- (c) donate the land or sell the land at a reduced price to a ~~nonprofit~~ corporation for the purpose of constructing:
 - (i) a multifamily housing development operated by the corporation for low-income housing;
 - (ii) single-family houses. Upon completion of a house, the ~~nonprofit~~ corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.
 - (iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the ~~nonprofit~~ corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the ~~nonprofit~~ corporation, including the sale, lease, rental, or other use of the donated land and improvements;
- (d) retain the land for the county pursuant to 7-8-2501.

(4) If bids are not received at a sale of tax-deed land, the board shall order another auction sale of the

land under this part within 6 months and may, if required by the circumstances, redetermine the sales price of the land determined under subsection (2). In the period of time between the auction conducted under subsection (1), in which there were not any qualifying bids for the land, and an auction held pursuant to this subsection, the board may sell the land by negotiated sale at a price that is not less than the sales price that was fixed for the original auction under subsection (1)(a).

(5) If a bid is not received at the sale conducted under subsection (4), the board may dispose of the land as provided in 7-8-2218.

(6) Notwithstanding the amount of the sales price fixed by the board prior to the auction conducted under subsection (1)(a), if the successful sale bidder is the delinquent taxpayer or the taxpayer's successor in interest, the taxpayer's agent, or a member of the taxpayer's immediate family, the purchase price may not be less than the amount necessary to pay, in full, the taxes, assessments, penalties, and interest due on the land at the time of taking the tax deed plus interest on the full amount at the rate provided for in 15-16-102 from the date of the tax deed to the date of the repurchase as well as the costs of the county in taking the tax deed and additional taxes or assessments due, if any, at the time of repurchase.

(7) Land that is transferred pursuant to subsection (3)(c) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 3. Section 7-8-2308, MCA, is amended to read:

"7-8-2308. Sale or donation of lands land of less than fifty dollar valuation and other than tax-deed lands land. (1) Property belonging to the county of the value of less than \$50 and property of the county acquired by means other than by tax deed may be:

(a) sold as provided by 7-8-2211 through 7-8-2220 and, except so far as they. Except to the extent that those sections may conflict with the provisions of this part, 7-8-2211 through 7-8-2220 shall remain in force and effect. Nothing herein contained shall. This section may not be construed as repealing 7-8-2401 through 7-8-2403.

(b) donated or sold at a reduced price to a corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2) Land that is transferred pursuant to subsection (1)(b) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 4. Section 7-8-2402, MCA, is amended to read:

"7-8-2402. Disposal of land and timber acquired by county pursuant to exchange agreement with United States. (1) Any timber acquired from the United States in any exchange may be disposed of by the county commissioners by agreement with the United States department of agriculture that ~~such the~~ timber ~~shall~~ must be cut and removed by any agency selected by the United States department of agriculture, with the understanding that the stumpage payments for timber ~~so~~ cut will be paid over to the county in cash as full compensation for the county land exchanged to the United States. The amount of ~~such the~~ stumpage payments; ~~so paid over, shall~~ must equal the appraised value of the county land exchanged for ~~same~~ timber, and ~~such the~~ cash payments ~~shall~~ must be deposited in the county treasury for the use of the county.

(2) All land and all timber not subject to the arrangement authorized in subsection (1) and acquired by the county under the provisions of this part may be:

(a) sold by the board of county commissioners in the manner provided by law for the sale of county property, and the proceeds of ~~such the~~ sale ~~shall~~ must be deposited in the county treasury for the use of the county; or

(b) donated or sold at a reduced price to a corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use

of the donated land and improvements.

(3) Land that is transferred pursuant to subsection (2)(b) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 5. Section 7-8-2502, MCA, is amended to read:

"7-8-2502. Application of part. (1) Any ~~lands~~ land offered for sale by the county commissioners of any county pursuant to 7-8-2301 and not sold at the sale, any ~~lands~~ land classified for retention by the county, any ~~lands~~ land concerning which the preferential right to purchase has been terminated and barred pursuant to the provisions of 7-8-2303, and any other ~~lands~~ land owned by the county, however acquired, may, in the discretion and at the election of the board, be:

(a) administered by the board under this part; or

(b) donated or sold at a reduced price to a corporation for the purpose of constructing:

(i) a multifamily housing development operated by the corporation for low-income housing;

(ii) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(iii) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(2) The board may in its discretion elect to exercise any of the powers and authority granted to it by this part, and to the extent that the board elects, the provisions of this part are controlling and supersede all conflicting provisions of other laws.

(3) The sale, exchange, lease, donation, or issuance of licenses and permits of county ~~lands~~ land as provided in this part extends only to ~~those lands~~ land not necessary to the conduct of the county's business.

(4) Land that is transferred pursuant to subsection (1)(b) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 6. Section 7-8-2504, MCA, is amended to read:

"7-8-2504. Classification of county ~~lands~~ land. The board may:

(1) establish criteria for the classification of the ~~lands~~ land referred to in 7-8-2502(1)(a);

(2) classify ~~such lands~~ the land, surface and subsurface, for retention or disposal and for ~~such~~ purposes and uses ~~as~~ that the board may determine are in the best interests of the county and for the public benefit and welfare; ~~and in so doing~~ In classifying the land, the board shall consider the multiple-use potential of ~~said lands~~ the land and the potential of ~~said lands~~ the land as access to other intermingled or adjacent multiple-use ~~lands~~ land or areas."

Section 7. Section 7-8-4201, MCA, is amended to read:

"7-8-4201. Disposal or lease of municipal property. (1) Subject to the provisions of subsection (2), the city or town council may sell, dispose of, donate, or lease any property belonging to the city or town.

(2) (a) Except for property described in subsection (3), the lease, donation, or transfer must be made by an ordinance or resolution passed by a two-thirds vote of all the members of the council.

(b) Except for property acquired by tax deed or property described in subsection (3), if the property is held in trust for a specific purpose, the sale or lease must be approved by a majority vote of the electors of the municipality voting at an election called for that purpose. The election must be held in conjunction with a regular or primary election.

(3) If a city or town owns property containing a historically significant building or monument, the city or town may sell or give the property to nonprofit organizations or groups that agree to restore or preserve the property. The contract for the transfer of the property must contain a provision that:

(a) requires the property to be preserved in its present or restored state upon any subsequent transfer; and

(b) provides for the reversion of the property to the city or town for noncompliance with conditions attached to the transfer.

(4) This section may not be construed to abrogate the power of the board of park commissioners to lease all lands owned by the city that were acquired for parks within the limitations prescribed by 7-16-4223.

(5) A city or town may donate land or sell the land at a reduced price to a corporation for the purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(6) Land that is transferred pursuant to subsection (5) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 8. Section 7-15-4262, MCA, is amended to read:

"7-15-4262. Disposal of municipal property in urban renewal areas. (1) A municipality may:

(a) sell, lease, or otherwise transfer real property in an urban renewal area or any interest ~~therein~~ in real property acquired by it for an urban renewal project for residential, recreational, commercial, industrial, or other uses or for public use and enter into contracts with respect ~~thereto~~ to the real property; or

(b) retain ~~such the~~ property or interest only for parks and recreation, education, public transportation, public safety, health, highways, streets and alleys, administrative buildings, or civic centers, in accordance with the urban renewal project plan and subject to ~~such any~~ covenants, conditions, and restrictions, including covenants running with the land, ~~as that it may deem to be~~ considers necessary or desirable to assist in preventing the development or spread of blighted areas or otherwise to carry out the purposes of this part.

(2) ~~Such~~ The sale, lease, other transfer, or retention and any agreement relating ~~thereto~~ to the real property may be made only after the approval of the urban renewal plan by the local governing body.

(3) ~~Such~~ Except as provided in subsection (5), the real property or interest ~~shall~~ must be sold, leased, otherwise transferred, or retained at not less than its fair value for uses in accordance with the urban renewal plan. In determining the fair value of real property for uses in accordance with the urban renewal plan, a municipality shall take into account and give consideration to the:

(a) uses provided in ~~such the~~ plan;

(b) ~~the~~ restrictions upon and the covenants, conditions, and obligations assumed by the purchaser or lessee or by the municipality retaining the property; and

(c) ~~the objectives of such the~~ plan for the prevention of the recurrence of blighted areas.

(4) Real property acquired by a municipality which, in accordance with the provisions of the urban renewal plan, is to be transferred ~~shall~~ must be transferred as rapidly as feasible, in the public interest, consistent with the carrying out of the provisions of the urban renewal plan.

(5) A transfer under this section may include a donation of the land or a sale of the land at a reduced price to a corporation for the purpose of constructing:

(a) a multifamily housing development operated by the corporation for low-income housing;

(b) single-family houses. Upon completion of a house, the corporation shall sell the property to a low-income person who meets the eligibility requirements of the corporation. Once the sale is completed, the property becomes subject to taxation.

(c) improvements to real property or modifying, altering, or repairing improvements to real property that will enable the corporation, subject to the restrictions of Article X, section 6, of the Montana constitution, to pursue purposes specified in the articles of incorporation of the corporation, including the sale, lease, rental, or other use of the donated land and improvements.

(6) Land that is transferred pursuant to subsection (5) must be used to permanently provide low-income housing. The transfer of the property may contain a reversionary clause to reflect this condition."

Section 9. Effective date. [This act] is effective July 1, 2009.

- END -